

TC Abstract

I. Basic project data

• Country/Region:	Regional/CCB - Caribbean Group
• TC Name:	Development of Sustainable Islands Initiative
• TC Number:	Rg-T2960
• Team leader/members:	Gerard Alleng - team leader; Jose Saavedra - alternate team leader; Luis Miguel Aparicio; Sara Valero Anaitée Mills; Gerard Alleng; Michael Donovan; Michele Lemay; Giovanni Leo Frisari, Camilo Pecha Garzon; Adriana La Valley; Maria Tapia Yvon Mellinger, Juan C. Gomez Patricio Zambrano
• Taxonomy:	Research and dissemination
• Date of TC Abstract:	April 19 th , 2017
• Beneficiary:	Countries of the Caribbean and the Isthmus Regions
• Executing agency and contact name:	IDB – Gerard Alleng (gerarda@iadb.org)
• Idb funding requested:	\$ 995,000.00
• Local counterpart funding, if any:	TBD
• Disbursement period (which includes execution period):	24 months
• Required start date:	May 2017
• Types of consultants:	Individuals and firms
• Prepared by unit:	Climate Change Division
• Unit of disbursement responsibility:	Caribbean Countries Department
• Included in country strategy:	No
• Included in CPD:	No
• Strategic alignment:	Productivity and innovation, Climate Change

II. Objective and Justification

- 2.1 The objective of the Sustainable Islands Initiative is to support the Bank's borrowing member countries (island states or states with island territories) to mainstream climate resilient activities into policies and programs across sectors, under a Blue Economy approach and establishing synergies with other initiatives and resources mobilized by the IDBG.
- 2.2 Islands and their populations face challenges that make them highly vulnerable to climate change (CC). The characteristics of their closed systems make them sensitive to financial and economic shocks as well as natural disasters that will be exacerbated with CC. Additionally, the natural resources that provide resiliency have largely been lost or are under threat due to also to CC. A more integrated approach is necessary regarding development decisions, which are currently based on traditional sectorial approaches. In this context, islands in the Caribbean basin can benefit from a Blue Economy approach -a sustainable ocean economy in which economic activities are balanced with the long-term capacity of ecosystems to support these activities and remain resilient and healthy; as well as a Circular Economy -one that aims to keep products, components and materials at their highest utility and value "closing the loop" of product lifecycles through greater recycling and re-use, and that enhances social, economic and environmental benefits.

III. Description of activities and outputs

- 3.1 **Component 1. Governance and institutional capacity building (US\$225,000).** Assess existing governance structures from an integrated perspective; action plans to achieve SDGs and effective integration of the private sector; creation of an institutional capacity building program at all levels of policy.
- 3.2 **Component 2. Generation of project pipeline to support new business models (US\$145,000).** Screen IDBG clients' operations with potential for sustainability improvements, and identify the financing required; provide technical support to clients to design business opportunities aligned with SDGs; support upstream development of project pipeline funded by the SIF.
- 3.3 **Component 3. Creation of the Sustainable Islands Facility (SIF) to mobilize public and private sector investment (US\$325,000).** Assess financial sources available for the Caribbean islands; assess the type of instruments needed given the scope; design the governance framework of the SIF; elaborate the results framework including a roadmap for implementation; design the organizational structure and a financial sustainability strategy for the SIF
- 3.4 **Component 4. Outreach and Dissemination (US\$100,000).** Development of a communication strategy for the platform; development of a website and information pack; creation of a permanent regional roundtable on low carbon islands resilience and Blue Economy to inform the operation of the Platform.
- 3.5 **Component 5. Monitoring, evaluation and administration (US\$200,000).** Monitoring and administration activities

IV. Budget

Indicative Budget

Activity/Component	IDB	Counterpart	Total
Governance and institutional capacity building	225,000	0	225,000
Generation of project pipeline to support new business models	145,000	0	145,000
Creation of the Sustainable Islands Facility (SIF) to mobilize public and private sector investment	325,000	0	325,000
Outreach and Dissemination	100,000	0	100,000
Monitoring, evaluation and administration	200,000	0	200,000

V. Executing agency and execution structure

- 5.1 The operation will be executed by the IDB given the regional coverage of the activities to be performed, possible synergies and complementarities with Bank operations/research (i.e. ATN/SX-14969-RG). CCS will coordinate with other relevant departments and divisions within the IDB Group including the private sector, and aim to create partnerships with key stakeholders including academia and governments. Additionally, the Bank has presence in relevant countries, and close relations with governments in the region regarding the scope of the operation, which will be essential to ensure cooperation on the program.
- 5.2 Because of the regional nature of the project across the Caribbean basin, the Bank best suited to act as the Executing Agency in this operation.

VI. Project Risks and issues

- 6.1 Operational risks would involve the lack of interest in donors to participate in the type of multi-contributor facility being proposed, and the lack of interest from governments in the region to allocate resources specifically for investment in

island territories. Mitigating measures will be put in place with adequate SWOT analysis and due diligence during the design of the SIF.

VII. Environmental and Social Classification

7.1 The ESG classification for this operation is “C”.